



# Atom bank & The Recovery Loan Scheme Phase 3 (RLS 3)

This form must be completed by the borrower.

Please upload this when you submit your application in Portal.

Please ensure you complete this form with your broker, so they can upload it when they submit your application in our Portal.

## Atom bank is committed to providing ongoing support to UK based businesses to help them grow and thrive.

We have joined the government-backed Recovery Loan Scheme (RLS) and are now able to offer secured loans to businesses eligible under the scheme that are looking to borrow between £250k and £2m.

This guide will provide you with guidance on whether a secured RLS loan may be right for you and your business and whether you'll be eligible for a loan with Atom bank.

The information contained in this guide is correct on the date of publication.

## The Recovery Lending Scheme (RLS)

The third iteration of the Recovery Loan Scheme launched in July 2022 and is designed to support access to finance for UK small businesses as they look to invest and grow.

The Scheme is designed to appeal to businesses that can afford to take out additional debt finance. It can be used for any legitimate business purpose including managing cashflow, investment and growth. Businesses who have taken out a Coronavirus Business Interruption Loan (CBILS), a Coronavirus Large Business Interruption Loan (CLBILS), Recovery Loan Phases 1 & 2 (RLS) or a Bounce Back Loan (BBL) facility are able to access the new scheme.

A key aim of the Recovery Loan Scheme is to improve the terms on offer to businesses, but if a lender can offer a business the choice of a commercial loan on better terms, without requiring the guarantee provided under the RLS, they should do so. The third phase of the scheme will run until 30 June 2024, subject to review.

## Scheme Features

The RLS Guarantee is provided by the UK Government to Atom bank and not to you as the borrower. It enables us to provide borrowers with funding that we might otherwise have been unable to provide without the support of the Government guarantee.

### Liability

- The provision of the RLS Guarantee does NOT remove any of the borrower's liability for repaying the RLS-Supported Facility (nor, if applicable, does it reduce the liability of any Personal Guarantor of the RLS-Supported Facility).
- In the event of the borrower defaulting on its loan repayments (for example, failing to make specific repayments as and when they fall due), we are entitled to seek to recover the full amount outstanding from the borrower.
- Any monies received by Atom bank under the RLS Guarantee does not reduce the borrower's liability in any way.

## Maximum borrowing amounts

### Maximum Loan Size

The maximum amount a business can borrow under RLS 3 will depend on whether they are classed as a Great-Britain (GB) applicant or a Northern Ireland (NI) applicant, and is capped at the lesser of (a) the applicable Maximum Amount (which for NI applicants will be lower and will also be reduced if operating in certain specified sectors – see below) and (b) an amount that would not take the borrower over the applicable Maximum Subsidy Amount for its sector.

**The amount outstanding under any CBILS, CLBILS or existing RLS Phase 1 or 2 Facility/Facilities does not need to be deducted to determine the Maximum Amount available.**

### The Maximum Amount per business group is:

- £2 million for GB applicants; or;
- For Northern Ireland applicants:
  - £110,000 for businesses in the agriculture sector;
  - £170,000 for businesses in the aquaculture and fisheries sector;
  - £570,000 for businesses in the road haulage sector; and
  - £1 million for businesses in all other sectors.

Accessing a facility through RLS counts as a subsidy. If the business has received any previous subsidy, this may reduce the maximum amount they can borrow.

### Maximum Subsidy Amount

For GB applicants, the maximum value of subsidy they are eligible for is £315,000 in aggregate over this and the previous two fiscal years (ending 31st March).

For NI applicants, the maximum aggregate value of subsidy they are entitled to over the borrower's current and previous two financial reporting years is:

- €20,000 or £17,000 if the business relates to the primary production of agricultural products
- €30,000 or £25,500 if the business relates to fisheries and aquaculture
- €100,000 or £85,000 if the business relates to road haulage, or
- €200,000 or £170,000 for all other sectors.

You will be required to provide written confirmation that receipt of an RLS facility will not mean the business will breach any of the above thresholds.

If the business has received any other relevant subsidy, they should have been provided with a written record of the amount of such subsidy.

## Eligibility Check

In order to be eligible for an RLS backed loan with us, a borrower must meet the following criteria:

- Be based in the UK;
- Is or will be engaged in trading activity in the United Kingdom at the initial drawdown date;
- Be able to provide suitable security in line with Atom bank's business banking lending criteria;
- Be a small or medium enterprise (turnover less than £45m);
- Generate more than 50% of its turnover from trading activity;
- Not be considered a 'business in difficulty'<sup>1</sup>;
- If the business is a further education college, be able to self-certify that it has been impacted by COVID-19.

## Exceptions

The following businesses are not eligible to apply:

- Banks, building societies, insurers and reinsurers (excluding insurance brokers)
- Public sector bodies
- State-funded primary and secondary schools

<sup>1</sup>The definition of a 'business in difficulty' can be found in the FAQ sections of both <https://www.digitalmortgages.net/business/rls> and <https://www.atombank.co.uk/rls/>

## Key Loan Terms

**Loan size:** £250k to £2m<sup>2</sup> (subject to assessment)

**Term:** Up to 6 years commitment term

**Repayment type:** Interest only (subject to Atom bank lending criteria) or capital and interest. All facilities require a bullet repayment at the end of the commitment term.

**Fees:** These will include broker procurement, valuation and legal fees.

**LTV:** Up to 75% available, subject to lending policy and underwriter assessment.

**Security:** First legal charge over suitable security (land, property). We may require additional security, this could be in the form of debentures or business guarantees, and personal guarantees may be requested in line with our standard lending policy. All forms of security are eligible under RLS other than security over the Principal Private Residence ("PPR") of either a borrower or a personal guarantor.

Where a property is used as both a residence and a business location by a borrower or a personal guarantor, under RLS this property is deemed to be a PPR and we cannot take security over such properties.

**Loan Purpose:** The loan can be used for legitimate business purposes including investment and growth, to refinance existing debt with another lender, and for cash flow purposes.

I understand the features of the scheme and these have been conveyed to me by the broker.

**ANY PROPERTY OR ASSET USED AS SECURITY MAY BE REPOSSESSED OR FORFEITED  
IF YOU DO NOT KEEP UP REPAYMENTS ON ANY DEBT SECURED ON IT.**

<sup>2</sup>Limit of £1m per business group for Northern Ireland Protocol borrowers with further sectoral restrictions. Information can be found in the RLS Lending Criteria.

## Want to apply?

If you would like to apply for an Atom bank RLS loan, in the first instance you should contact your broker who will discuss your business requirements with our Regional Business Development Managers (RBDMs) or the Intermediary Support Team. Your broker can obtain a quote by using the Quick Quote tool available in the broker portal, or by contacting their RBDM.

If you are happy to proceed on the basis of the quote, your broker will guide you through completion of our application forms and submit your application via our digital broker portal alongside this RLS supplementary form.

**We will also ask you to provide the following supporting document when you apply:**

- A signed Data Protection and Disclosure Declaration (for all key applicants and any guarantors)

Once we have assessed your application we will let your broker know our lending decision. Where we are happy with the proposal, we will offer you a loan subject to valuation and issue you with a Loan Agreement pack. This includes:

- **Loan Agreement:** This document provides all the legal terms for your loan, including loan amount, interest rate, conditions to be satisfied for draw down and confirmation of the security you are providing for the loan.
- **Atom bank terms and conditions:** Our T&Cs form part of the contract you have with us in conjunction with the loan agreement.
- **RLS Side Letter to the loan agreement:** This will detail the RLS-specific provisions applying to your loan.
- **Subsidy Control Letter:** This details the amount of subsidy you will receive by accepting your loan.
- **Subsidy Control Confirmation Letter:** You will need to return a completed and signed copy of this letter to us, confirming the total amount of subsidy you have received and confirming that by accepting this loan with Atom bank, you will not breach the maximum permissible subsidy amount applicable to your business.
- **Fee Schedule:** This provides you with multiple valuation and legal quotes for your application. Once you select your preferred options, you must pay your valuation fee, sign the Fee Schedule and return it to us along with your Loan Agreement, RLS Side Letter and Subsidy Control Confirmation Letter. **We cannot progress your application until your valuation fee has been paid.**

Upon receiving the signed Loan Agreement from you, we will ask the selected solicitor to start the legal work associated with the loan with the aim of completing and sending you the funds as quickly as possible.

## Not eligible for RLS?

If you don't meet the eligibility requirements for an Atom bank RLS loan, you may be eligible for one of our standard secured business loans. Please speak to your broker about your options.

## Get in touch

Atom bank RLS loans are only available via brokers and you should discuss your options with your broker in the first instance.

Your broker can discuss new cases with our TBDMs on 03333 99 00 60. They are available Monday to Friday, 9am - 5pm.

Alternatively, your broker can call their Regional Business Development Manager. They'll be happy to assist in any way they can.

# Atom Bank RLS Supplementary Application Form

Business Name (legal name):

Primary Contact Name:

Primary Contact Telephone Number:

Primary Contact Email Address:

Role in Business:

Please provide your Company Registration number. If you don't have a Company Registration number, please provide your Unique Taxpayer Reference (UTR) number:

Does your business provide goods or services?

Goods

Services

What is the current (or where none, estimated) annual turnover of your business (or, if you're a Group Company, the aggregate Group turnover)?

How many employees does your business currently have? Where your company is a Group Company, how many employees does the Group have?

Fewer than 10

Between 10 and 49

Between 50 and 249

More than 250

**Has your business or any member of your (extended) group obtained any of the following?**

Bounce Back Loan (BBL):

Yes

No

If yes, what is the outstanding balance?

£

Recovery Loan Scheme Loan Phase 3<sup>3</sup>

Yes

No

If yes, what is the outstanding balance?

£

Have you received any other Recovery Lending Scheme Phase 3 loans that, if you were granted further RLS finance, would put you over the maximum amount per borrower?

Yes

No

## Subsidy

The assistance provided through RLS, like many government-backed business support activities, is regarded as a subsidy and is deemed to benefit you. There is a limit to the amount of subsidy that may be received by a borrower, and its wider group, over any rolling three-year period. Any previous subsidy may reduce the amount you can borrow.

Our ability to provide you with a loan under the scheme is dependent upon a guarantee we receive from the UK Government. Before we can offer you a loan, we need you to self certify any existing subsidies that you have already received to ensure that you do not breach the maximum amount of subsidy available to you. The relevant subsidy threshold changes depending on whether you are classified as a GB applicant or a NI applicant.

<sup>3</sup>This covers any RLS facilities granted after the 30th June 2022.

## For GB applicants:

You must confirm you have not received more than £315,000 in Minimum Financial Assistance (MFA) subsidies or comparable types of subsidy between 1 April 2022 and the date you submit your application. If the value of the subsidy arising from this facility means you will exceed the MFA threshold of £315,000, the maximum loan amount you can have with us may be reduced and we will determine this as part of your assessment. The types of relevant subsidies taken into account are set out below. Confirmation must be completed by someone who is authorised to do so on behalf of your business.

### Relevant subsidies are:

1. de minimis aid granted (i) prior to the UK exiting the EU on 31 December 2020; and/or (ii) after that date by virtue of the NI Protocol; and
2. small amounts of financial Assistance (SAFA) granted under Article 364(4) or under Article 365(3) of the Trade and Cooperation Agreement as incorporated into UK Law by the European Union (Future Relationships) Act 2020 in the period from 1 January 2021 to the coming into force of the Subsidy Control Act."
3. Minimal Financial Assistance or SPEI Financial Assistance granted under the Subsidy Control Act once it is in force.

The amount of subsidy received between 1 April 2022 and 31st March 2023 was: £

The amount of subsidy received between 1st April 2023 and 31st March 2024 was: £

The amount of subsidy received between 1st April 2024 and... Date is: £

Business Name (legal name):

I confirm, for and on behalf of:

the total value of existing Relevant Subsidies received between 1 April 2022 and the date of completing this form is £

*(If you have not received any subsidy within the relevant time period, please enter £0 into the box above)*

## For NI applicants:

Before you may receive a facility under RLS, you must confirm you have not received more than the relevant amount set out below for the sector you operate in, minus the subsidy value of the facility in de minimis subsidies in your current fiscal year and your previous two fiscal years. Confirmation must be completed by someone who is authorised to do so on behalf of your business.

Where you have previously received aid expressed in Euros (€), this should be converted to Pound Sterling (£) at a rate of €1 = £0.85p.

Sector	Maximum Permissible Aid (€)	Maximum Permissible Aid (£)
Primary production of agricultural products	20,000	17,000
Fishery and aquaculture	30,000	25,500
Road Freight Transport	100,000	85,000
All Other Eligible Sectors	200,000	170,000

## Please complete the information below using your borrowing entities' financial reporting years.

The amount of subsidy received between \_\_\_\_\_ Date \_\_\_\_\_ and Date \_\_\_\_\_  
*(This must be the start date of your financial reporting year)*

is: £ \_\_\_\_\_

The amount of subsidy received in my previous fiscal year was: £ \_\_\_\_\_

The amount of subsidy received in my previous fiscal year +1 was: £ \_\_\_\_\_

Business Name (legal name): \_\_\_\_\_

I confirm, for and on behalf of: \_\_\_\_\_

the total value of the de minimis aid received in this current fiscal year and the previous two fiscal years is £ \_\_\_\_\_

*(If you have not received any subsidy within the relevant time period, please enter £0 into the box above)*

## Please tick to confirm that:

Your business, or any members of your (extended) group, does not operate in any of the following industries?

- Banks
- Building Societies
- Insurers and Reinsurers (but not insurance brokers)
- The public sector including state funded primary and secondary schools

Your business (if you are in scope of the Northern Ireland Protocol) will not:

- Use this facility for the acquisition of road freight transport vehicles if the business performs road freight haulage for hire or reward;
- If you are active in the fishery and aquaculture sector, use this facility for:
  - Purchase, construction or importing of fishing vessels;
  - Modernisation or replacement of fishing vessels or their engines;
  - Increasing the capacity of fishing vessels or exploratory fishing;
  - Equipment to enable a fishing vessel to source fish;
  - Cessation of fishing activities;
  - Direct re-stocking in the fishery or aquaculture sector;
  - The transfer of ownership of a business in the fishery and aquaculture sector.

Your business will not use this facility for the following export-related activities outside of the UK:

- An advertising campaign outside the UK;
- The manufacturer of a product which is only available to customers in a market outside of the UK;
- The establishment of a representative office outside the UK or the appointment of an overseas agent;
- The setting up or operation of a distribution network outside of the UK; and
- The direct to fulfilment of an export order.

Your business is based in the UK

Your business generates more than 50% of its turnover from trading activity

Your business is not classed as a 'business in difficulty'<sup>4</sup>

Your business has not breached the rules of this scheme, any Other Scheme or the Bank of England's COVID Corporate Financing Facility (CCFF)

You are able to provide suitable security for a secured loan in line with Atom bank's lending policy

What will you use the RLS facility for?

Please break down how you will use the funds from this loan. Eligible purposes include, working capital, business growth / investment and refinancing existing debt/debt consolidation.

This could be to purchase a trading premises, or as a combination of capital investment, to purchase further property to grow the business or could be a combination of uses. Please provide full details including forecasts where possible, as this will help us process your application more quickly. Please Note - RLS Facilities cannot be used for certain export related activities outside of the UK.

If your business is a further education college and does not generate more than 50% of its turnover from trading activity, you must be able to self-certify that you have been impacted by the COVID-19 pandemic. Please provide details below.

<sup>4</sup>The definition of a 'business in difficulty' can be found in the FAQ sections of both <https://www.digitalmortgages.net/business/rls> and <https://www.atombank.co.uk/rls/>

## The Northern Ireland Protocol

Borrowers that are registered or established in Northern Ireland are subject to European State aid rules and separate reporting requirements to the EU Commission. This means that as part of the application we need to determine whether you are classed as a GB applicant or a NI applicant.

In order for us to determine which rules apply, you must complete the location questions below. If you answer 'yes' to both questions, then European State aid rules will apply as you are classed as a NI applicant. If you do not answer 'yes' to both questions then you will be classed as a GB applicant and the Subsidy Control Act will apply to your business.

### Location Questions

- |   |     |    |
|---|-----|----|
| 1. Is your business involved in the manufacture or sale of goods <sup>6</sup> or does it operate in the Northern Ireland Wholesale Electricity Market <sup>7</sup> (or have plans to start manufacturing or selling such goods or to operate in the Northern Ireland Wholesale Electricity Market in the next three years)? | Yes | No |
|---|-----|----|

*If yes* – go to question 2.

*If no* – then the Subsidy Control Act will apply.

- |  |     |    |
|--|-----|----|
| 2. Is your business (this is the legal entity proposing to borrow the RLS facility) established or registered in Northern Ireland? | Yes | No |
|--|-----|----|

*If yes* – then European State aid rules will apply.

*If no* – then the Subsidy Control Act will apply.

Note that if your main place of business is in Northern Ireland, but the entity intending to borrow the RLS facility is established in Great Britain and intends to apply the proceeds of the RLS facility in Great Britain, then the Subsidy Control Act will apply.

<sup>6</sup>The manufacturing and sale of goods would include the primary production of agricultural products or production, processing or marketing of fishery and aquaculture products.

<sup>7</sup>This means the Northern Ireland/Ireland single Electricity market specifically in relation to the generation, transmission, distribution, or supply of wholesale electricity

## Atom bank will use and rely on your answers in this questionnaire when processing your application.

*If you do not answer this questionnaire honestly and you are in scope of the NI Protocol and subsequently receive a RLS facility, your facility may have to be repaid and you may have to pay costs associated with the enforcement of any action in relation to your facility.*

Atom bank will rely on the information provided in this form to assess your eligibility for a RLS loan. By signing below you are confirming on behalf of the business that all of the information and the answers provided in this form are true and accurate.

The Recovery Loan Scheme is managed by the British Business Bank on behalf of, and with the financial backing of, the Secretary of State for Business, Energy and Industrial Strategy.

Please note: As with any other commercial transaction, the borrower remains liable for the full balance of the loan at all times and will be responsible for making all payments. Should the borrower fail to repay the loan on time, Atom bank will seek to recover 100% of the monies owed.

Business Name:

Signature:

Print Name:

Role in business:

Date:

# Atom & The Recovery Loan Scheme (RLS)

The Recovery Loan Scheme is managed by the British Business Bank on behalf of, and with the financial backing of, the Secretary of State for Business, Energy & Industrial Strategy. British Business Bank plc is a development bank wholly owned by HM Government. It is not authorised or regulated by the PRA or the FCA.

Visit <http://www.british-business-bank.co.uk/recovery-loan-scheme>